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## Financial institution GST/HST annual information return – Form GST111

Form GST111, *Financial Institution GST/HST Annual Information Return*, enhances GST/HST reporting and assists in improving compliance in the financial services sector. Form GST111 provides the CRA with supplementary information concerning certain registrants within the financial services sector and assists the federal government in meeting its commitments to the provinces under the HST system.

A “reporting institution” has to complete Form GST111 for each fiscal year and file the return within six months after the end of its fiscal year. A person (other than a prescribed person or a person of a prescribed class<sup>1</sup>) is a reporting institution if:

- the person is a financial institution, under the *Excise Tax Act* (the Act), at any time in the fiscal year;
- the person is a registrant at any time in the fiscal year; and
- the total of all amounts each of which is an amount included in computing, for the purposes of the *Income Tax Act*, the person's income, or, if the person is an individual, the person's income from a business, for the person's last taxation year that ends in the fiscal year, exceeds the amount determined by the following formula:

$$\text{\$1 million} \times \Lambda / 365 \quad (\Lambda = \text{number of days in the taxation year})$$

A financial institution that is a reporting institution should be aware of the consequences associated with the failure to properly report information on Form GST111. Every reporting institution that fails to report or that

<sup>1</sup> It is important to note that it is proposed that a selected listed financial institution that is a segregated fund of an insurer, or a investment plan (other than a trust governed by a registered retirement savings plan, a registered retirement income fund or a registered education savings plan) would not be required to file Form GST111 for any fiscal year that ends on or after July 1, 2010.

**Online services for business accounts:** To view account information and do transactions go to [www.cra.gc.ca/representatives](http://www.cra.gc.ca/representatives), if you are an authorized representative or employee; or [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount), if you are the business owner. See the article in this issue of the *Excise and GST/HST News* for more information.

**GST/HST NETFILE:** Faster processing and refunds, immediate confirmation of receipt, and no postal costs. Go to [www.cra.gc.ca/gsthst-netfile](http://www.cra.gc.ca/gsthst-netfile) or through [www.cra.gc.ca/representatives](http://www.cra.gc.ca/representatives), if you are an authorized representative or employee; or [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount), if you are the business owner.

La version française de la présente publication est intitulée *Nouvelles sur l'accise et la TPS/TVH*.



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misstates certain amounts on Form GST111 could be liable for penalties with respect to such amounts. Penalties can also be levied if a reporting institution fails to provide reasonable estimates of certain amounts for which estimates can be provided. These penalties apply to amounts required to be reported on certain lines of Form GST111 and are in addition to any other penalty that may also apply under other provisions of the Act.

Penalties for non-compliance will accumulate and can be as much as \$1,000 for each failure, unless due diligence was exercised in attempting to report the amount on Form GST111. For more information on completing this form and on the application of penalties, please consult Guide RC4419, *Financial Institution GST/HST Annual Information Return*.

### **Collection of GST/HST amounts under objection or appeal**

The CRA may not generally take any collection action in respect of an amount payable or remittable unless the amount has been assessed. If a person files a notice of objection or appeal against an assessment of GST/HST, the CRA is required to accept security, in an amount and form satisfactory to the CRA, for payment of the disputed amount.

If a person does not provide security in lieu of payment, the CRA will continue collection action in respect of the outstanding amounts, which includes any interest or penalty computed on the assessment from the time the amount is required to be paid or remitted. There are no collection restriction provisions in the Act; therefore, any amounts that are not covered by the security are subject to collection action.

However, in certain cases the CRA may postpone collection action against a person in respect of all or any part of any amount assessed that is the subject of a dispute between the CRA and the person, and without accepting security. For example, the CRA may consider postponing collection action where the taxpayer provides relevant information after an assessment is raised, that may result in the overturning of the assessment, and Appeals is confident that the assessment will be vacated.

For more information on objections and appeals, see GST/HST Memorandum 31-0, *Objections and Appeals*.

For more information on collection and enforcement activities, see GST/HST Memorandum G500-3-3, *Collection and Enforcement Activities*.

### **What's new for GST/HST return and PSB rebate filers?**

We have added new and enhanced online services. To use these online services, you need to first register at [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount) to create a CRA user ID and password. Your authorized representative or employee can also access these online services through Represent a Client at [www.cra.gc.ca/representatives](http://www.cra.gc.ca/representatives).

The new and enhanced services include:

#### **View a return**

We have renamed the "View return status" service to "View a return". In addition to viewing the return status, you can also now view the detailed line-by-line information for returns that are assessed or reassessed.

#### **File a PSB rebate**

Non-registered public service body (PSB) filers can now file their PSB rebate electronically, by using the "File a PSB rebate" service. Registered PSB filers can use this service to file their PSB rebate separately from their return, or continue to file both their return and PSB rebate together using GST/HST NETFILE.

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### **Adjust a PSB rebate**

The "Adjust a PSB rebate" service provides an easy way to revise rebates that you have filed previously (some restrictions apply).

### **Online services built for businesses**

Going online makes good business sense. Take control of your business's tax accounts, and instantly access and make changes to tax information online. With CRA's online secure portals, you can:

- authorize a representative for **online access** to your business accounts
- file and adjust a GST/HST return without a Web access code; and, view a processed return line-by-line along with the processing status (enhanced service)
- file and adjust a Public Service Bodies' (PSB) rebate (new services)
- view notices and statements
- view up-to-date account balances and transactions
- view endorsements
- transfer payments within a program account and between program accounts of the same nine-digit business number and immediately view updated balances
- make online requests (for example, request additional remittance vouchers)
- calculate instalment payments
- view representative's transactions (new service)
- view address and banking information
- view messages in the Message Centre about new electronic services or other information (new service)

To access our online secure portals, for:

- business owners, go to [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount)
- representatives (including employees), go to [www.cra.gc.ca/representatives](http://www.cra.gc.ca/representatives)

### **Prescribed rates of interest**

The prescribed annual rate of interest in effect from October 1, 2011, to December 31, 2011, on overdue amounts payable to the Minister is 5%. The prescribed annual rate of interest on amounts owed by the Minister (i.e., rebates or refunds) is 1% for corporate taxpayers and 3% for non-corporate taxpayers. These rates are applicable to income tax, excise tax, the softwood lumber products export charge, GST/HST and the air travellers security charge (ATSC) and excise duty on wine, spirits and tobacco.

The prescribed annual rate of interest respecting excise duty on beer, on overdue amounts payable for the indicated period, is set at 3%. Refund interest rates are not applicable for amounts owed by the Minister (i.e., rebates or refunds) for excise duty that is in relation to beer.

| Period                  | Income Tax, Excise Tax,<br>Softwood Lumber Products Export Charge, GST/HST and<br>ATSC, Excise Duty (wine, spirits, tobacco) |                                    | Excise Duty<br>(beer) |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------|
|                         | Refund Interest                                                                                                              | Arrears and Instalment<br>Interest | Arrears<br>Interest   |
| <b>2011</b>             |                                                                                                                              |                                    |                       |
| October 1 – December 31 | 1% corporate taxpayers<br>3% non-corporate taxpayers                                                                         | 5%                                 | 3%                    |
| July 1 – September 30   | 1% corporate taxpayers<br>3% non-corporate taxpayers                                                                         | 5%                                 | 3%                    |
| April 1 – June 30       | 1% corporate taxpayers<br>3% non-corporate taxpayers                                                                         | 5%                                 | 3%                    |
| January 1 – March 31    | 1% corporate taxpayers<br>3% non-corporate taxpayers                                                                         | 5%                                 | 3%                    |

Prescribed interest rates for previous years are available on the CRA Web site at [www.cra.gc.ca/interestrates](http://www.cra.gc.ca/interestrates).

#### Deleted publications from Web site

Many of the older GST/HST Technical publications which have become obsolete have been removed from the CRA web site.

#### What's new in publications

The following is a list of new or revised excise and GST/HST forms and publications.

#### GST/HST forms

|        |                                                                                                                     |
|--------|---------------------------------------------------------------------------------------------------------------------|
| E410   | <i>Waiver</i>                                                                                                       |
| GST159 | <i>Notice of Objection (GST/HST)</i>                                                                                |
| RC59   | <i>Business Consent Form</i>                                                                                        |
| RC325  | <i>Address change request</i>                                                                                       |
| RC4530 | <i>Election or Revocation of an Election to use a Production Proxy to Report the Recapture of Input Tax Credits</i> |
| RC4607 | <i>GST/HST Pension Entity Rebate Application and Election</i>                                                       |

#### GST/HST guides

|        |                                                                             |
|--------|-----------------------------------------------------------------------------|
| RC4036 | <i>GST/HST Information for the Travel and Convention Industry (revised)</i> |
|--------|-----------------------------------------------------------------------------|

#### GST/HST notices

|           |                                                                                                                                                                                                    |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NOTICE259 | <i>Information Requirements Related to Investments in Selected Listed Financial Institution Distributed Investment Plans (other than Exchange-Traded Funds or Exchange-Traded Series)</i>          |
| NOTICE260 | <i>Modified Procedures for Filing Form RC4604, GST/HST Reporting Entity, Consolidated Filing and Tax Adjustment Transfer Elections and Revocations for a Selected Listed Financial Institution</i> |
| NOTICE261 | <i>Information Required for Tax Adjustment Notes Issued by an Employer to a Pension Entity and the Consequential Notices Issued by the Pension Entity</i>                                          |
| NOTICE262 | <i>Notice of Change, GST/HST Memorandum 28-3, Passenger Transportation Services</i>                                                                                                                |
| NOTICE263 | <i>Maa-nulth First Nations</i>                                                                                                                                                                     |
| NOTICE264 | <i>Sales Made to Indians and Documentary Evidence - Temporary Confirmation of Registration Document</i>                                                                                            |
| NOTICE265 | <i>GST/HST Registration for Listed Financial Institutions (Including Selected Listed Financial Institutions)</i>                                                                                   |

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- NOTICE266 *For discussion purposes only – Draft GST/HST Technical Information Bulletin, Harmonized Sales Tax – Self-assessment of the provincial part of the HST in respect of property and services brought into a participating province*
- NOTICE267 *Buffalo Point First Nation Implements the First Nations Goods and Services Tax*

**GST/HST info sheets**

- GI-121 *Determining Whether a Public Service Body is Resident in a Province for Purposes of the Public Service Bodies' Rebate*
- GI-122 *The GST/HST Implications of the Acquisition of Solar Panels Under the micro Feed-in Tariff Program in Ontario*
- GI-123 *Application of GST/HST to Residential Care Services Provided in Ontario*

**GST/HST technical information bulletins**

- B-032 *Registered Pension Plans (revised)*
- B-097 *Determining Whether a Financial Institution is a Qualifying Institution for Purposes of Section 141.02 (revised)*
- B-098 *Application of Section 141.02 to Financial Institutions That Are Qualifying Institutions (revised)*
- B-099 *Application of Section 141.02 to Financial Institutions That Are Not Qualifying Institutions (revised)*
- B-106 *Input Tax Credit Allocation Methods for Financial Institutions for Purposes of Section 141.02 of the Excise Tax Act*
- B-107 *Investment Plans (Including Segregated Funds of an Insurer) and the HST*

**Softwood lumber products export charge notices**

- SWLN41 *Surge Charge – Alberta Region (September 2011)*

All GST/HST, Excise Duty, and Excise Taxes and Special Levies publications can be found on the CRA Web site at [www.cra.gc.ca/gsthstech](http://www.cra.gc.ca/gsthstech), at [www.cra.gc.ca/etsl](http://www.cra.gc.ca/etsl), and at [www.cra.gc.ca/exciseduty](http://www.cra.gc.ca/exciseduty).

## Enquiries

**For online access to business accounts, such as view up-to-date account balances and transactions, transfer payments, and more** for your GST/HST, softwood lumber products export charge, air travellers security charge as well as excise taxes and duty accounts, go to:

- [www.cra.gc.ca/representatives](http://www.cra.gc.ca/representatives), if you are an authorized representative or employee; or
- [www.cra.gc.ca/mybusinessaccount](http://www.cra.gc.ca/mybusinessaccount), if you are the business owner.

**For technical help while using our online services for:**

- business accounts, call 1-877-322-7849
- teletypewriter users, call 1-888-768-0951
- calls outside of Canada and the United States, call collect 709-772-8371

Please have the screen number (bottom right); and if applicable, the error number and message received on hand when calling.

**For general information and to make enquiries regarding your account** (except for softwood lumber products export charge accounts), call Business Enquiries at 1-800-959-5525.

**For enquiries regarding your softwood lumber products export charge account**, call 1-800-935-0313.

**To make enquiries regarding the status of specific GST/HST domestic rebate claims**, call 1-800-565-9353.

**For GST/HST technical enquiries** call GST/HST Rulings at 1-800-959-8287.

### Forms and publications

To access forms and publications online go to [www.cra.gc.ca/orderforms](http://www.cra.gc.ca/orderforms).

To order forms and publications by telephone call 1-800-959-2221.

### Are you a GST/HST registrant located in Quebec?

To make an enquiry or obtain information on the GST/HST, contact Revenu Québec at 1-800-567-4692 or visit their Web site at [www.revenuquebec.ca](http://www.revenuquebec.ca).

The *Excise and GST/HST News* is published quarterly and highlights recent developments in the administration of the goods and services tax (GST) and harmonized sales tax (HST), First Nations goods and services tax (FNGST) and First Nations tax (FNT), softwood lumber products export charge, air travellers security charge (ATSC) as well as excise taxes and duties. If you would like to receive a link to each new edition of the *Excise and GST/HST News* as it is published, subscribe to the electronic mailing list.

This publication is provided for information purposes only and does not replace the law, either enacted or proposed. Please note that any commentary in this newsletter regarding proposed measures should not be taken as a statement by the CRA that such measures will in fact be enacted into the law in their current form. Comments or suggestions about the newsletter should be sent to the Editor, *Excise and GST/HST News*, Legislative Policy and Regulatory Affairs Branch, CRA, Ottawa, ON K1A 0L5.